

Message Text

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ORIGIN NEA-10

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DRAFTED BY NEA:SSOBER:CEJ

APPROVED BY NEA:SSOBER

NEA/ARP:FMDICKMAN

L/NEA:KHUFFMAN

NEA - AMBASSADOR AKINS

----- 012281

R 090104Z AUG 75

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA

C O N F I D E N T I A L STATE 188828

E.O. 11652: GDS

TAGS: ETRD, BDIS, PFOR, SA, US

SUBJECT: ARAB BOYCOTT

1. THE DEPT HAS BEEN INFORMED BY THE SECRETARY OF COMMERCE OF A REQUEST BY A SAUDI OFFICIAL AGENCY TO AN AMERICAN FIRM IN CONNECTION WITH THE ARAB BOYCOTT OF ISRAEL, WHICH APPEARS TO INVOLVE A QUESTION OF DISCRIMINATION ON ETHNIC (OR, BY EXTENSION, RELIGIOUS) GROUNDS. THIS MATTER HAS COME TO LIGHT THROUGH A REPORT SUBMITTED TO COMMERCE BY THE AMERICAN FIRM PURSUANT TO THE REPORTING REQUIREMENTS OF THE EXPORT ADMINISTRATION ACT OF 1969.

2. THE REQUEST ORIGINATED FROM THE SAUDI MINISTRY OF DEFENSE AND AVIATION IN CONNECTION WITH THE REPORTING FIRM'S BID ON A PROJECT INVOLVING HOSPITAL SUPPLIES AND MANAGEMENT SERVICES. IN CONNECTION WITH THE SUBMISSION OF BIDS ON THIS PROJECT, THE BIDDER WAS REQUIRED TO REPRESENT CONFIDENTIAL

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THAT IT QTE IS NOT OWNED IN PRINCIPAL (SIC) OR MANAGED BY PERSONNEL HAVE (SIC) AN EXTRACTION FROM, OR AN INTEREST IN, COUNTRIES NOT RECOGNIZED BY THE SAUDI ARABIAN GOVERNMENT. UNQTE. (ANOTHER REQUIREMENT IN CONNECTION WITH THE

BID RELATED TO A COMMITMENT ON THE NON-USE OF ISRAELI OR QTE BLACK-LISTED UNQTE VESSELS.) THE REFERENCE TO QTE EXTRACTION UNQTE, AS DISTINGUISHED FROM AN INQUIRY CONCERNING

THE NATIONALITY OF THE COMPANY'S OFFICERS OR STOCKHOLDERS, SUGGESTS DISCRIMINATION BETWEEN AMERICANS ON THE BASIS OF THEIR PLACE OF BIRTH OR THEIR ANCESTRY.

3. THE REQUEST CONCERNING QTE EXTRACTION UNQTE GOES BEYOND THE CUSTOMARY AFFIDAVITS WHICH VARIOUS ARAB COUNTRIES REQUIRE TO DETERMINE THE EXTENT OF A COMPANY'S TIES WITH THE STATE OF ISRAEL. OUR UNDERSTANDING IS THAT THE ARAB BOYCOTT RULES DO NOT CALL, AS SUCH, FOR ACTION ON THE BASIS OF ETHNIC (OR RELIGIOUS) ORIGIN, AS DISTINGUISHED FROM COMMERCIAL OR POLITICAL RELATIONSHIPS WITH ISRAEL. THIS DISTINCTION HAS BEEN MADE ON NUMEROUS OCCASIONS BY ARAB SPOKESMEN.

4. THE US GOVERNMENT OPPOSES THE ARAB BOYCOTT OF ISRAEL AND DOES NOT IN ANY WAY CONDONE ANY REQUESTS BY ARAB GOVERNMENTS TO AMERICAN FIRMS IN CONNECTION WITH THE APPLICATION OF THE BOYCOTT. WITHOUT CONDONING THE REQUEST BY MODA FOR OTHER INFORMATION IN THE CASE IN QUESTION, THE DEPT BELIEVES THAT A SPECIAL DEMARCHE SHOULD BE MADE TO THE SAUDI AUTHORITIES CONCERNING THE REQUEST REGARDING QTE EXTRACTION UNQTE AS REPORTED ABOVE.

5. THE EMBASSY SHOULD BRING THIS CASE TO THE ATTENTION OF THE APPROPRIATE SAUDI AUTHORITIES, DRAWING ON THE ABOVE POINTS. IT SHOULD ALSO POINT OUT THAT THE APPARENT DISCRIMINATION ON GROUNDS OF QTE EXTRACTION UNQTE IN THIS CASE IS PARTICULARLY REPUGNANT TO THE AMERICAN PEOPLE AND IS FIRMLY OPPOSED BY USG POLICY. THE EMBASSY SHOULD NOTE THAT THE REQUEST MADE BY MODA APPEARS TO BE AN ISOLATED INSTANCE. FINALLY, THE EMBASSY SHOULD SEEK ASSURANCES THAT THE SAUDI AUTHORITIES WILL TAKE STEPS TO PREVENT RECURRENCE OF THE TYPE OF DISCRIMINATION APPARENT

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IN THIS CASE.

6. AS THE EMBASSY IS AWARE, INCREASED ATTENTION TO VARIOUS ASPECTS OF THE ARAB BOYCOTT OF ISRAEL HAS BEEN EVIDENT IN THE NUMBER OF LEGISLATIVE PROPOSALS NOW PENDING IN THE CONGRESS TO STRENGTHEN US GOVERNMENT POLICY AND REGULATIONS AGAINST THE BOYCOTT. THESE PROPOSALS AND CURRENT EXECUTIVE BRANCH POSITION ARE DESCRIBED IN STATE AIRGRAM 5312 BEING POUCHED THIS WEEK. PUBLICITY IN RECENT MONTHS ON THE APPARENT VIOLATION BY ONE OR MORE ARAB STATES OF THE QTE CIVIL RIGHTS UNQTE STANDARDS INHERENT IN THE AMERICAN SYSTEM HAS GIVEN IMPETUS TO THIS CONGRESSIONAL INITIATIVE. THE EMBASSY MAY, AT ITS DIS-

CRETION, REFER TO THIS MATTER IN ITS DEMARCHE TO THE SAUDI
AUTHORITIES ON THE MODA CASE IN QUESTION.

7. THIS MATTER HAS BEEN DISCUSSED IN THE DEPT WITH
AMBASSADOR AKINS. THE AMBASSADOR HAS EXPRESSED A DESIRE
TO TAKE THIS MATTER UP PERSONALLY UPON HIS RETURN TO SAUDI
ARABIA. ACTION SHOULD, THEREFORE, BE SUSPENDED UNTIL
THE AMBASSADOR'S RETURN. KISSINGER

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<< END OF DOCUMENT >>

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